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BEFORE THE POSTAL REGULATORY COMMISSION WASHINGTON, D.C. 20268-0001

In the Matter of:
Slayden Post Office
Slayden, Tennessee 37165

Docket No. A2012-54

UNITED STATES POSTAL SERVICE <u>COMMENTS REGARDING APPEAL</u> (December 29, 2011)

On November 4, 2011, the Postal Regulatory Commission (Commission) received an appeal postmarked October 20, 2011 from Roger Harrison, Mayor, and the Town of Slayden, objecting to the discontinuance of the Post Office at Slayden, TN. On November 21, 2011, the Commission issued Order No. 988, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). On December 7, 2011, the Commission received a Participant Statement from Diane Harrison. In accordance with Order No. 988, the administrative record was filed with the Commission on November 21, 2011. A corrected administrative record was filed on December 21, 2011.

The appeal and the Participant Statement raise three issues concerning the discontinuance: (1) the impact on the provision of postal services, (2) the impact upon the Slayden community, and (3) the calculation of economic savings expected to result from discontinuing the Slayden Post Office. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. In addition, consistent with the Postal Service's statutory obligations and Commission precedent, the Postal Service gave consideration to a number of other issues, including the impact upon postal employees. Accordingly, the determination to discontinue the Slayden Post Office should be affirmed.

¹ See 39 U.S.C. 404(d)(2)(A).

Background

The Final Determination To Close the Slayden Post Office and Continue to Provide Service by Rural Route Service ("Final Determination" or "FD"),² as well as the administrative record, indicate that the Slayden Post Office provides EAS-11 level service to: 68 Post Office Box or general delivery customers, and retail customers.³ The Postmaster of the Slayden Post Office was promoted on May 21, 2010. Since the Postmaster vacancy arose, a noncareer postmaster relief ("PMR") was installed as an officer-in-charge ("OIC") to operate the office. The average number of daily retail window transactions at the Slayden Post Office is approximately 15, accounting for 16 minutes of workload daily. Revenue has been: \$21,824 (57 revenue units) in FY 2008; \$25,191 (66 revenue units) in FY 2009; and \$25,578 (67 revenue units) in FY 2010.⁴

Upon implementation of the Final Determination, delivery and retail services will be provided by rural route delivery administered by the Cumberland Furnace Post Office,⁵ an EAS-16 level office located eleven miles away, which has 4 available Post Office Boxes.⁶

The Postal Service followed the proper procedures that led to the posting of the Final Determination. Issues raised by the customers of the Slayden Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and Final Determination, customers

² The Final Determination can be found at Items 47 and 49 in the Administrative Record. All citations to the Final Determination will be to "FD at _____," rather than to the item number. The FD page number refers to the pages as marked on the upper left of the FD at Item 49. Other items in the administrative record are referred to as "Item ."

³ FD at 2; Item No. 18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"), at 1; Item No. 33, Proposal to Close the Slayden, TN Post Office and Continue to Provide Service by Rural Route Service ("Proposal"), at 2.

⁴ FD, at 2; Item No. 18, Post Office Fact Sheet, at 1; Item No. 33, Proposal, at 2.

⁵ The Cumberland Furnace Post Office is not a candidate facility within the Retail Access Optimization Initiative (RAOI). See Docket No. N2011-1, USPS LR-N2011-1/11 Rev 1, at http://www.prc.gov/prc-pages/library/detail.aspx?docketId=N2011-1&docketPart=Documents&docid=75971 &docType=Library%20References&attrID=&attrName=.

⁶FD at 2; Item No. 18, Post Office Fact Sheet, at 1; Item No. 33, Proposal, at 2, 8.

received notice through other means. Questionnaires were distributed to all Post Office Box customers of the Slayden Post Office. Questionnaires were also available over the counter for retail customers at Slayden. A letter from the Manager of Post Office Operations, Nashville, TN, was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Slayden Post Office was warranted, and that effective and regular service could be provided through rural route service and retail services available at the Cumberland Furnace Post Office. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving rural route service from Cumberland Furnace.⁸ The Postal Service distributed 88 questionnaires. Forty-seven customers returned questionnaires, and the Postal Service considered their concerns and addressed them in the Proposal.9 In addition, representatives from the Postal Service were available for a community meeting on March 15, 2011¹⁰ to answer questions and provide information to customers; 47 customers attended. 11 Customers received formal notice of the Proposal and Final Determination through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Slayden, Vanleer¹², and the Cumberland Furnace Post Offices for 60 days from May 6, 2011 to July 7, 2011. No customers returned

⁷FD at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Slayden Post Office, at 1.

⁸ Item No. 21, Letter to Customer, at 1

⁹ Item No. 22, Returned customer questionnaires; Item No. 23, Customer Questionnaire Analysis; Item No. 33, Proposal, at 2-6.

This discontinuance was conducted pursuant to Handbook PO-101, dated August 2004, and updated

with Postal Bulletin revisions through August 2, 2007.

11 FD at 2; Item No. 24; Community Meeting Roster; Item No. 25, Community Meeting Analysis; Item No.

^{33,} Proposal, at 2.
¹² The Vanleer Post Office is not a candidate facility within the Retail Access Optimization Initiative (RAOI). See Docket No. N2011-1, USPS LR-N2011-1/11 Rev 1, at http://www.prc.gov/prcpages/library/detail.aspx?docketId=N2011-1&docketPart=Documents&docid=75971 &docType=Library%20References&attrID=&attrName=.

¹³ FD at 2; Item No. 33, Proposal, at 1; Item No. 36, Round Date Stamped Proposals Placeholder Form.

comments in response to the "Invitation for Comments" after the Proposal was posted.¹⁴ The Postal Service addressed all concerns in the Final Determination.¹⁵ The Final Determination was posted at the Slayden, Vanleer, and Cumberland Furnace Post Offices beginning on October 28, 2011, as confirmed by the round-dated Final Determination cover sheets.¹⁶

In light of the postmaster vacancy; a minimal workload; low revenue, close proximity of other Post Offices; the variety of delivery and retail options (including the convenience of rural route service);¹⁷ no projected population, residential, commercial, or business growth in the area;¹⁸ minimal impact upon the community; and the expected financial savings,¹⁹ the Postal Service issued the Final Determination.²⁰ Regular and effective postal services will continue to be provided to the Slayden community in a cost-effective manner upon implementation of the Final Determination.²¹

The issues raised by the Petitioners are addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Slayden Post Office on postal services provided to Slayden customers. The closing is premised upon providing regular and effective postal services to Slayden customers. The Postal Service has considered the impact of closing the Slayden Post Office upon the provision of postal services to Slayden customers. FD at 2-6; Item No. 33, Proposal, at 2-7.

¹⁴ Item No. 38, Proposal Comments (Memo to Record).

¹⁵ FD at 2-6.

¹⁶ Item No. 46, Headquarters acknowledgment of receipt of letter, at 2; FD at 1.

¹⁷ FD at 2, 3, 4, 6; Item No, 33, Proposal, at 2, 3, 4, 6.

¹⁸ Item No. 16, Community Survey Sheet.

¹⁹ FD at 7; Item No. 18, Post Office Fact Sheet, at 1; Item No. 29, Proposal Checklist, at 2; Item No. 33, Proposal, at 8.

²⁰ FD at 8.

²¹ FD at 1.

Upon the implementation of the Final Determination, delivery and retail services will be provided by rural route service emanating from the Cumberland Furnace Post Office. Retail service is also available at the Vanleer Post Office, which is located five miles away. The window service hours of the Cumberland Furnace Post Office are 7:30 a.m. to 4 p.m., Monday through Friday, and 7:00 a.m. to 11:00 a.m. on Saturday. The window service hours at the Vanleer Post Office are from 7:30 a.m. to 11:00 a.m. and 12:00 p.m. to 3:30 p.m., Monday through Friday and from 7:00 a.m. to 11:00 a.m. on Saturday. FD at 2; Item No. 18, Post Office Fact Sheet; Item No. 33, Proposal, at 2.

The Petitioners raise the issue of the effect on postal services of the Slayden Post Office's closing, noting the convenience of the Slayden Post Office and requesting its retention. They contend that service through the Cumberland Furnace Post Office will not provide the maximum degree of effective postal services because 1) the postmaster currently assists many customers, especially senior citizens, with a variety of postal services and "non-postal caretaking;" 22 mail will be less secure with roadside mailboxes than in the post office boxes many customers currently have at the Slayden Post Office; and 3) customers will experience economic hardship to erect roadside mailboxes. These concerns were considered by the Postal Service and are addressed below.

Regarding the first point, many of the services provided at the Slayden Post Office will be available from the carrier, and customers will not have to travel to another Post Office for most transactions. Many services will be provided by the carrier to a roadside mailbox located close to customers' residences. In hardship cases, delivery can be made to the home of a customer. Changes in the type of delivery are considered where service by existing methods would impose an extreme physical hardship for an individual customer. Requests for changes

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in delivery method may be submitted to the administrative postmaster at Cumberland Furnace. FD at 4, Item 33, Proposal at 3, Item 22, Returned Customer Questionnaires and Postal Service Response Letters at 3, 31, 32, Item 23, Analysis of Questionnaires at 1-2, Item 25, Community Meeting Analysis at 1. Nonpostal services currently provided at Slayden Post Office will be available at both the Cumberland Furnace and Vanleer Post Offices. FD at 4, Item 33, Proposal at 4, Item 25, Community Meeting Analysis at 1.

Petitioners also question whether the loss of post office boxes resulting from the closure of the Slayden Post Office will decrease the security of their mail. With respect to the Petitioners' concerns about mail security, the Postal Service advised customers that they may place a lock on their mailboxes. The mailbox must have a slot large enough to accommodate the customer's normal daily mail volume. FD at 4, Item 33 at 4. The Postal Service also sent a questionnaire to the Postal Inspection service concerning mail theft and vandalism in the suspended Post Office area. That agency's records indicate that there has not been any report of mail theft or vandalism in the area, thereby indicating that security risks are not high in the area. Item 14; Item 33 at 4, Item 47 at 4.

Finally, customers felt that being required to erect roadside mailboxes would cause undue economic hardship. Customers are not required to erect rural mailboxes. Customers may receive Post Office Box service at either the Cumberland Furnace or Vanleer Post Office. FD at 5, Item 33 at 4, Item 25 at 2. The Postal Service acknowledge this concern as a disadvantage, which was outweighed by other benefits in support of the initiative.

Thus, the Postal Service has properly concluded that all Slayden customers will continue to receive regular and effective service via rural route service emanating from Cumberland Furnace.

Effect Upon the Slayden Community

The Postal Service is obligated to consider the effect of its decision to close the Slayden Post Office upon the Slayden community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Slayden is an incorporated community located in Dickson County²³. The community is administered politically by the City of Slayden. The Dickson County Sheriff Department provides police protection. Fire protection is provided by the Vanleer Volunteer Fire Department. The community is comprised of retirees, commuters, self-employed individuals, and farmers who commute to work at nearby communities and may work at local businesses. FD at 6; Item No.16, Community Survey Fact Sheet; Item No. 33, Proposal at 7.

Communities generally require regular and effective postal services and these will continue to be provided to the Slayden community. Rural route service operated out of the Cumberland Furnace Post Office is expected to be able to handle any future growth in the community. FD, at 6; Item No. 33, Proposal, at 7. In addition, the Postal Service has concluded that nonpostal services provided by the Slayden Post Office can be provided by the Cumberland Furnace Post Office. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD at 6; Item No 33, Proposal, at 7.

Regarding concerns about the loss of community identity and change of address, as the Postal Service explained, a community's identity derives from the interest and vitality of its

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Petitioners point out that in Item 33, the Proposal, the Postal Service incorrectly described Slayden as an unincorporated community; however, the Final Determination correctly describes Slayden as an incorporated community.

residents and their use of its name. The Postal Service is further addressing this concern by continuing the use of the Slayden name and ZIP Code in addresses. FD at 2-3; Item No. 23, Customer Questionnaire Analysis at 1; Item No. 33, Proposal, at 2; Item No. 40.

In sum, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Slayden Post Office on the community served by the Slayden Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route service operated out of Cumberland Furnace would cost the Postal Service substantially less than maintaining the Slayden Post Office and would still provide regular and effective service. Item No. 21, Letter to Postal Customer, at 1. The estimated annual savings associated with discontinuing the Slayden Post Office are \$46,185. FD at 7; Item No. 33 Proposal, at 8. Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record and consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). FD at 7; Item No. 33, Proposal, at 8.

The Petitioners question the listed economic savings. These questions will be addressed in turn.

First, the Petitioners suggested strategies that might reduce costs or increase revenue at the Martinsburg Post Office. These strategies include reducing window hours, renting more Post Office Boxes, and turning the Slayden Post Office into a Village Post Office. However, the Postal Service is only responsible for formulating a specific proposal and evaluating it in the context of Title 39, U.S. Code, and applicable regulations. In this case, the Postal Service has

determined that carrier service, coupled with service at nearby Post Offices, is a reasonable solution that will yield economic savings. In so doing, the Postal Service is not required to evaluate and reject alternative proposals. In this case, the Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations.

Second, Petitioner Harrison contends that the Postal Service's savings estimates are incorrect because the Postal Service used a career Postmaster's salary in the savings calculation. However, the economic savings calculation conducted as a part of a discontinuance study is forward-looking; that the Postal Service may have paid less in salary and benefits over the past years does not mean that it could count on those savings annually in the future. If the Slayden Post Office closes, one career slot will be eliminated. If the Post Office is not discontinued, that slot would have been filled with a career employee, and the salary and benefits to be paid would be as shown for a postmaster.

Third, Petitioners in this appeal question the consistency of this proposal with statutory authority in Title 39 providing that no small Post Office may be closed solely for operating at a deficit. Here, however, a variety of factors inform the decision to discontinue the Clarksville Post Office, including a postmaster vacancy, minimal workload, low revenue, the variety of delivery and retail options (including the convenience of rural delivery and the seven other Post Offices in Dickson County within close proximity), 24 very little projected growth in the area, 25 minimal impact upon the community, and the expected financial savings.²⁶ Pursuant to 39 U.S.C. § 404(d)(2)(A)(iii), the Postal Service in determining whether to close a Post Office must consider whether such closing is consistent with the policy that the Postal Service provide "a maximum degree of effective and regular postal services to rural areas, communities, and small

FD, at 2; Item 33, Proposal, at 1
 Item 16, Community Survey Sheet.
 FD, at 6-8; Item 18, Fact Sheet; Item 33, Proposal, at 2, 6, 7.

towns where post offices are not self-sustaining." In this case, the Postal Service analyzed, among other factors, the Slayden Post Office's workload and revenue. The consideration of an office's workload and revenue is not inconsistent with the policies of Title 39, however, because analysis of workload and revenue does not imply that a small Post Office is operating at a deficit. The Postal Service then analyzed whether a maximum degree of effective and regular postal services to the area and community could be provided with rural delivery service in the absence of the Post Office, and the answer was affirmative.

The Postal Service determined that operating rural route service out of Cumberland Furnace is more effective than maintaining the Slayden Post Office and Postmaster position. FD at 8. The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The Postmaster was promoted on May 21, 2010. A noncareer employee from a neighboring office was installed as the temporary officer-in-charge (OIC). The noncareer employee may be separated from the Postal Service, but no other Postal Service employee will be adversely affected. FD at 6; Item No. 15, Post Office Survey Sheet, at 1; Item No. 33, Proposal, at 8. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Slayden Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the

proper procedures and carefully considered the effect of closing the Slayden Post Office on the

provision of postal services and on the Slayden community, as well as the economic savings

that would result from the proposed closing, the effect on postal employees, and other factors,

consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the

advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service

concluded that after the discontinuance, the Postal Service will continue to provide effective and

regular service to Slayden customers. FD at 6. The Postal Service respectfully submits that

this conclusion is consistent with and supported by the administrative record and is in accord

with the policies stated in 39 U.S.C.

§ 404(d)(2)(A). The Postal Service's decision to close the Slayden Post Office should,

accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Slayden

Post Office be affirmed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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